

P-666/CT-93-175 ORDER WAIVING FORMER COMPLIANCE REQUIREMENT AND
CLOSING DOCKETS

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Don Storm	Chair
Tom Burton	Commissioner
Cynthia A. Kitlinski	Commissioner
Dee Knaak	Commissioner
Norma McKanna	Commissioner

In the Matter of Sample Contract
Filing Requirements for Certain
Pay Telephone Service Providers

ISSUE DATE: March 25, 1993

DOCKET NO. P-666/CT-93-175

ORDER WAIVING FORMER COMPLIANCE
REQUIREMENT AND CLOSING DOCKETS

PROCEDURAL HISTORY

Applicants wishing to provide pay telephone service in Minnesota must obtain a certificate of authority from the Commission. Prior to 1990, applicants who received such certificates were granted unrestricted authority to provide pay telephone service.

In 1990, the Commission became aware of a new payphone technology known as store and forward. Store and forward technology allows a new generation of telephones equipped with certain computer chips to store billing information. A customer can use such a telephone to charge the cost of a call to a credit card or a telephone calling card, without the use of a "live" operator or a local exchange's or interexchange carrier's automated calling card system. Store and forward service is a subcategory of operator service, which has been defined as

any service using a live operator or mechanical (automated) operator function for the handling of a telephone service, such as toll calling via collect, third party billing, and calling or credit card services.¹

Because a customer using a payphone with store and forward technology would not have recourse to a live operator to redress any problems or grievances, the Commission was concerned that there might be abuse of the store and forward technology. In December, 1990, the Commission added a requirement for obtaining

¹ In the Matter of the Applications for Authority to Provide Alternative Operator Services in Minnesota, docket No. P-999/CI-88-917, ORDER SETTING REGULATORY REQUIREMENTS FOR OPERATOR SERVICE FROM TRANSIENT LOCATIONS (November 19, 1991), at p. 1.

payphone authority: the applicant must submit a sample of the applicant's contract with an operator service or alternative operator service (AOS)²provider. By adding this requirement the Commission sought to ensure that payphone service providers were providing operator service through the use of "live" operators, not through store and forward technology. The Commission also initiated an investigation of the use of store and forward technology in payphones under Docket No. P-999/C-91-22.

On July 9, 1992, the Commission issued its ORDER SETTING REGULATORY REQUIREMENTS FOR STORE AND FORWARD AND INMATE-ONLY SERVICE PROVIDERS in the investigation docket. In that Order the Commission established a set of requirements for providers of store and forward service in Minnesota. This Order provided for ongoing regulatory oversight of providers of store and forward service, resolving Commission concerns of possible abuse of the technology.

Before the issuance of the July 9, 1992 Order, the Commission had approved numerous applications for coin telephone authority. All Orders granting authority from December, 1990, through July 9, 1992, required the applicants to submit sample contracts with operator service or AOS providers as a compliance filing.

In January, 1993, Commission Staff learned from Department of Public Service (Department) Staff that approximately 134 coin telephone application dockets remained open, pending the applicants' compliance with the sample contract requirement. See list of dockets at Attachment A.

This matter came before the Commission on March 9, 1993.

FINDINGS AND CONCLUSIONS

The Commission finds that its concerns regarding possible abuse of payphone store and forward technology have been resolved through the establishment of store and forward regulatory requirements. The Commission no longer finds it necessary to restrict payphone applicants to the provision of "live" operator service or AOS. Since the requirement to file a sample contract with a "live" operator service or AOS provider was meant to place a regulatory check on the use of store and forward technology, the requirement is no longer necessary. The Commission has also

² Alternative operator service (AOS), a subcategory of operator service, is defined in the November 19, 1991 AOS Order as operator-assisted long distance service provided to transient end-users at call aggregators' locations.

placed the requirement of filing a sample contract on AOS providers in its Orders setting regulatory requirements for AOS and store and forward providers.³ The Commission will therefore remove the requirement that applicants for payphone authority file a sample contract with an operator service or AOS provider.

As discussed previously, approximately 134 dockets remain open because applicants who have received payphone authority have failed to file their sample contracts. Many of these applicants are small providers who have overlooked or misunderstood the requirement. Since the Commission is lifting the compliance requirement by means of this Order, nothing remains to be done in these dockets. The Commission will therefore order the 134 dockets closed.

ORDER

1. The Commission waives the requirement for payphone providers to file a sample of their contracts with operator service or AOS providers.
2. The Commission hereby closes the approximately 134 payphone dockets which remain open solely because the aforementioned compliance filing has not been submitted.
3. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Richard R. Lancaster
Executive Secretary

(S E A L)

³ In the Matter of the Applications for Authority to Provide Alternative Operator Services in Minnesota, Docket No. P-999/CI-88-917, ORDER SETTING REGULATORY REQUIREMENTS FOR OPERATOR SERVICE FROM TRANSIENT LOCATIONS (November 19, 1991); In the Matter of a Commission Investigation into the Use of "Store and Forward" Technology in Telephone Equipment Operated in Minnesota, Docket No. P-999/C-91-22, ORDER SETTING REGULATORY REQUIREMENTS FOR STORE AND FORWARD AND INMATE-ONLY SERVICE PROVIDERS.